ملخص الاسبوع الرابع اولي لغات + الماضرات + المطلوب

اولاً الملخص

BA : خلصت شابتر 2

iT : رجعت علي شابتر 2 وخلصته والمحاضره القادمة هتعلم علي المهم

Accounting : خلص شابتر 5

OB : خلص لحد شابتر 4

Evolution and resources: 164 خلصت لحد صفحه

Problem 5, Page 81.   "Multiple step income statement"

Sales Revenue	370,000	
(+) Sales Return and allowance	(13,000)	
(−) Sales discount	(8,000)	
"Net Sales Revenue"		349,000
(−) Cost of goods sold		212,000
"Gross Profit" STEP 1		137,000
(+) operating expense		
freight out	7,000	
insurance expense	12,000	
salary expense	58,000	
Rent expense	32,000	
"Total operating expense"		(109,000)
"Net income" →step 2,		28,000

* Gross Profit Rate = $\dfrac{Gross Profit}{Net Sales Revenue} \times 100$

Gross Profit Rate = $\dfrac{137,000}{349,000} \times = 39\%$

*Equations:

1. Net sales Revenue =
   Sales Revenue - [Sales Return and allowance + Cash discount]

2. Cost of goods sold =
   [Beginning inventory + Net purchase] - ending inventory

3. Beginning inventory =
   [Cost of goods sold + ending inventory] - Net Purchase

4. Net Purchase =
   [Purchase Price + Hieght In Cost] - [Purchase Return and allowance +
        Purchase cash discount]

5. Gross Profit = Net sales - Cost of goods sold

6. Net income = Gross Profit - operating expense

7. Operating expense = Gross Profit - Net income

8. Gross Profit = Net income + operating expense

9. Gross Profit Rate = $\dfrac{\text{Gross Profit}}{\text{Net sales Revenue}}$

10. Ending inventory =
    [Beginning inventory + Net Purchase] - Cost of goods sold

11. Cost of goods available for sale =
        Beginning inventory + Net Purchase

12. Cost of goods sold =
        Cost of goods available for sale - ending inventory

13. Cost of goods sold = Net sales Revenue + gross Profit

14. Cost of goods sold =
        Net income + operating expense + Gross Profit

ELRIDA

Subject: ACC'4

Date:

Problem 7 Page 31   "using Periofe system"

Date	Explanation	Dr	Cr
7,8	Accounts Receivable	3,000	
	Sales Revenue		3,000
	Sales merchanfise "n/30, FoB Shipping Point To "ks"		
8,8	Purchases , Purchase Account	6,000	
	Accounts Payable		6,000
	Purchase Merchandise from "NK" "n/30, FoB Ship.Point"		
9,8	Freight In , Transportation In	254	
	Cash		254
	Paid "NK" Company for shipping charges on merchandise		
10,8	Purchases	9,000	
	Freight In	600	
	Accounts Payable		9,600
	Purchase merchandise including Freight costs from "MR"		
14,8	Accounts Receivable	2,400	
	Sales Revenue		2,400
	Sold Merchanfise on Credit To "RM" "n/30, FoB Shipping Point		
14,8	Accounts Payable	600	
	Purchase Return and allowance		600
	Return Merchanfise inventory To "NK"		

Date	Explanation	Dr	Cr
17,8	Cash	3,000	
	Accounts Receivable		3,000
	Collection from "ks"		
19,8	Cash	1,800	
	Sales Revenue		1,800
	Sold Merchandise for cash		
20,8	Accounts Payable	9,600	
	Cash		9,600
	Payment To "MR"		
21,8	Accounts Payable "6000-600"	5,400	
	Cash		5,400
	Payment To "Nk"		
24,8	Sales Return and allowance	200	
	Accounts Receivable		200
	Accepted a return of merchandise from "Rm"		

- Problem 6 Page 31:

1- Net Sales Revenue = 800,000 - [10,000 + 5,000] = 785,000

2- Net Purchase = [500,000 + 4,000] - [2,000 + 6,000] = 496,000

3- Cost of Goods Sell = [50,000 + 496,000] - 60,000 = 486,000

4- Gross Profit = 785,000 - 486,000 = 299,000

5- Operating Expense = 299,000 - 130,000 = 169,000

6- Cost of goods avaliable for Sale = 50,000 + 496,000 = 546,000

2. Availability of substitutes:

Demand for a commodity with large number of substitutes will be more elastic. Thus, availability of close substitutes makes the demand sensitive to change in the prices. On the other hand, commodities with few or no substitutes like wheat and salt have less price elasticity of demand.

3. Income Level:

Elasticity of demand for any commodity is generally less for higher income level groups in comparison to people with low incomes. It happens because rich people are not influenced much by changes in the price of goods. But, poor people are highly affected by increase or decrease in the price of goods. As a result, demand for lower income group is highly elastic.

4. Level of price:

Level of price also affects the price elasticity of demand. Costly goods like laptop, Plasma TV, etc. have highly elastic demand as their demand is very sensitive to changes in their prices. However, demand for inexpensive goods like needle, match box, etc. is inelastic as change in prices of such goods do not change their demand by a considerable amount.

5. Postponement of Consumption:

Commodities like biscuits, soft drinks, etc. whose demand is not urgent, have highly elastic demand as their consumption can be postponed in case of an increase in their prices. However, commodities with urgent demand like life

$+100 + 25 = (+) 4.0$

The *positive sign* means that the good is a *normal good*, and because the coefficient is greater than one, demand for the good responds more than proportionately to a change in income. This indicates the good is not a necessity like food, and would be considered a relative luxury for this individual.

→ Inferior goods

When YED is *negative*, the good is classified as *inferior*. For example, if, following an increase in income from £40,000 to £50,000, a consumer buys 180 loaves of bread per year instead of 200, then the YED is:

$-10 + 25 = (-) 0.4$

The negative sign means that the good is inferior, and, because the coefficient is less than one, demand for the good does not respond significantly to a change in income. This indicates that the good is not particularly inferior compared with a good which has a YED of > (-)1.

The *sign* and the *number* provide different information about the relationship between income and demand. Income elasticity of demand can also be illustrated by Engel curves.[2]

Why does a firm want to know YED?

There several purposes for the firm would o know YED, including the following:

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[1] see economic online.

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→ The degree of necessity of the good

A necessity like bread will be demanded inelastically with respect to price.

→ Whether the good is habit forming

Consumers are also relatively insensitive to changes in the price of habitually demanded products.

→ The proportion of consumer income which is spent on the good

The PED for a daily newspaper is likely to be much lower than that for a new car!

→ Whether consumers are loyal to the brand

Brand loyalty reduces sensitivity to price changes and reduces PED.

→ Life cycle of product

PED will vary according to where the product is in its life cycle. When new products are launched, there are often very few competitors and PED is relatively inelastic. As other firms launch similar products, the wider choice increases PED. Finally, as a product begins to decline in its lifecycle, consumers can become very responsive to price, hence discounting is extremely common.

The factors that influence the price elasticity of demand fall into two categories:

Income elasticity of demanded YED

which measures the responsiveness of the quantity demanded to a change in consumer incomes. The formula for income elasticity of demand is given by:

$$\text{income elasticity of demand} = \frac{\text{percentage change in quantity demanded}}{\text{percentage change in income}}$$

example

If the percentage change in the quantity demanded is greater than the percentage change in income, then demand is said to be income elastic, or very responsive to changes in demanders' incomes.

If the percentage change in the quantity demanded is less than the percentage change in income, then demand is said to be income inelastic, or not very responsive to changes in demanders' incomes. Notice from the definition of income elasticity that if the income elasticity of demand is positive, the good must be a normal good, and **if the income elasticity of demand is negative, the good must be an inferior good.**

Income elasticity of demand

Income elasticity of demand (YED) shows the effect of a change in income on quantity demanded

(+) → **Normal goods**

When the equation gives a positive result, the good is a normal good. A normal good is one where demand is directly proportional to income. For example, if, following an increase in income from £40,000 to £50,000, an individual consumer buys 40 DVD films per year, instead of 20, the coefficient is:

(right column)

+ 100÷ 25=(+) 4.0

The positive coefficient and because the good responds to income. This indicates and would be considered

→ **Inferior goods**

(−) When YED is negative

For example, if, £40,000 to £50,00 year instead of 20

. 10÷ 25=(−) 0.4

The negative coefficient because the coefficient does not respond indicates that the with a good which

The sign about the relation elasticity of demand curves.[2]

Why does a firm

There are YED, including

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[1] see economic or

Influences on the Price Elasticity of Supply

Because a high PES is desirable, it may be neces... firms to undertake actions that improve their ... response to changes in market conditions. Examples of ... actions include:

1. Creating spare capacity
2. Using the latest technology
3. Keeping sufficient stocks
4. Developing better storage systems
5. Prolonging the shelf life of products
6. Developing better distribution systems
7. Providing training for workers
8. Having flexible workers who can do a range of job...
9. Locating production near to the market
10. Allowing inward migration of labor if there is ... shortage

1. Nature of commodity:

Elasticity of demand of a commodity is influenc... its nature. A commodity for a person may be a neces... comfort or a luxury. When a commodity is a necessity ... food grains, vegetables, medicines, etc., its dema... generally inelastic as it is required for human survival a... demand does not fluctuate much with change in price.

(meaning they ...
the supply curve affe...
quantity.

A powerful general rule can be learned fr...
example: if one curve (whether supply or dem...
inelastic, shifts in the complementary curve (whether d...
or supply) affect price more than quantity; on the othe...
if one curve is elastic, shifts in the other curve affect q...
more than price.

Rationally speaking, the government often has t...
this into consideration before making policy change...
example, if the government's goal is to limit imports i...
to encourage domestic industry, it must first co...
whether its policy will have the desired effect. If dema...
imports is inelastic, an increased tariff —custom duti...
imports will only result in increased prices witho...
significant drop in quantity of imports consumed, which...
not benefit domestic producers and only results in...
domestic consumers.

Factors affect the Price Elasticity of Demand.

There are several reasons why consumers may r...
elastically or in elastically to a price change, including...

→ **The number and 'closeness' of substitutes**

A unique and desirable product is likely to exhib...
inelastic demand with respect to price.

with f...

→ **Whet...**

Consu...
the price of...

→ **The...**
on th...

The
lower than...

→ **Wh...**

Brar...
reduces PE...

→ **Lif...**

PEI
life cycle
very few
other fir
increases
lifecycle
hence di...

T...
demand...

	Price	Quantity Demanded	Total Re... TR P...
Elastic	Increase	Decreased	Decrea...
	Decrease	Increased	Increas...
Inelastic	Increase	Decrease	Increas...
	Decrease	Increased	Decreas...
Unit elastic	Increase	Decrease	No chan...
	Decrease	Increased	No chan...

A fall in market price from P1 to Causes total spending to rise therefore PED >1

A fall in price P3 to P4 Caus... spending to f... Therefor... PED >1
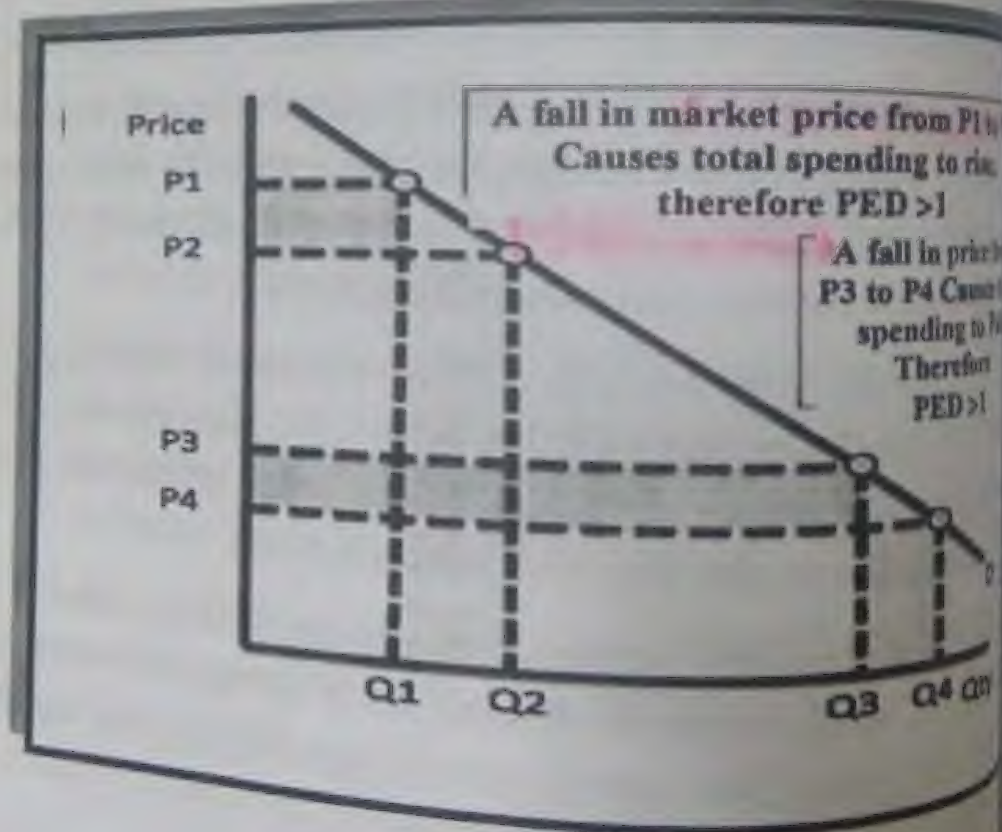
Price elasticity
will Vary

→ At high
price re
rise.

- Demand

In summary

Besides
quantities chan
are also interes
change in resp
responsiveness
incomes is mea

Price elasticity
demand is giv
supply is given

price elasticity of

The price elasti

price elasticity of

If the pe
greater than the
be price elastic,
percentage char
percentage char
inelastic, or not

saving drugs, have mor...
immediate requirement.

6. Number of Uses:

If the commodity under consideration has sever...
then its demand will be elastic. When price of ...
commodity increases, then it is generally put to only ...
urgent uses and, as a result, its demand falls. When th...
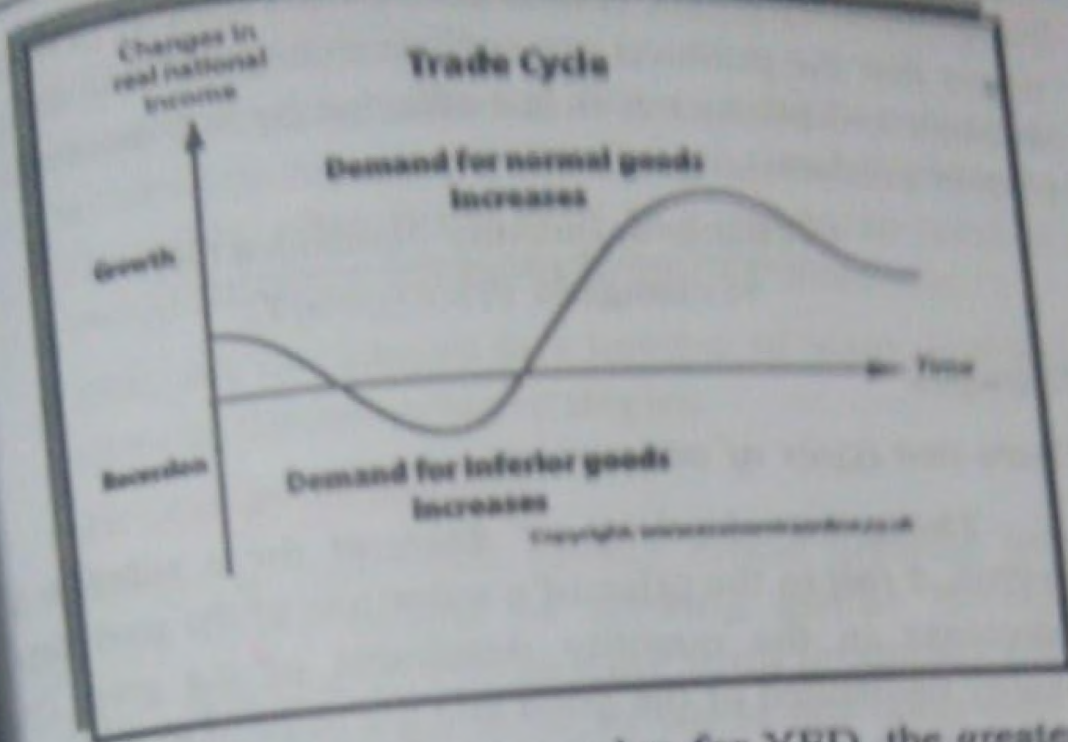fall, then it is used for satisfying even less urgent need...
demand rises.

Advertisements

For example, electricity is a multiple-use commo...
Fall in its price will result in substantial increase ...
demand, particularly in those uses (like AC, Heat conve...
etc.), where it was not employed formerly due to its ...
price. On the other hand, a commodity with no o...
alternative uses has less elastic demand.

7. Share in Total Expenditure:

Proportion of consumer's income that is spent ...
particular commodity also influences the elasticity of dem...
for it. Greater the proportion of income spent on ...
commodity, more is the elasticity of demand for it and ...
versa.

Demand for goods like salt, needle, soap, match ...
etc. tends to be inelastic as consumers spend a ...
proportion of their income on such goods. When pric...
such goods change, consumers continue to purchase al...
the same quantity of these good...

Trade Cycle

Changes in real national income

Growth

Demand for normal goods increases

Demand for inferior goods increases

Recession

Time

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The higher the positive value for YED, the greater the effect of a change in national income on consumer demand.

The cross price elasticity of demand XED

Measures the responsiveness of the quantity demanded of one good, good X, to a change in the price of another good, good Y. Cross elasticity of demand is the ratio of percentage change in quantity demanded of a product X to percentage change in price of another product Y. It is used to measure how responsive the quantity demanded of one product is to a change in price of another product.

Cross elasticity of demand indicates whether any two products are substitute goods, complementary goods or independent goods. A positive cross elasticity of demand means that the products are substitute goods. A negative cross elasticity of demand means that the products are

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measure how important its complementary products are to its own products.

2. This information allows the firm to develop strategies to reduce its exposure to the risks associated with price changes by other firms, such as a rise in the price of a complement or a fall in the price of a substitute.

3. Risks can be reduced in a number of ways, including adopting the following strategies:

→ Horizontal integration

Horizontal integration usually means merging with a rival, such as the merger of brewing giants. Horizontal integration occurs when two or more firms producing similar products merge with each other, or where one takes over the other.

→ Vertical integration

Vertical integration means merging with a complement producer, such as a record producer merging with or taking over a record store, or radio station.

→ Alliances and collusion

Joint alliances with competitors can also take place, such as Sony-Ericsson combining resources to create mobile phones. Collusion is also a possibility. For example, firms may enter into price fixing agreements so that they avoid having to fight a price war. This is more likely to occur in oligopolistic markets, where there are only a few competitors

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Total revenue (TR) earned from sales by a firm is obtained by multiplying average unit price with the total quantity sold, i.e., TR = P x Q. We have three cases of the relationship between revenue and elasticity.

If the demand price is elastic, with an increase in price, there is a large decline in sales so that the total revenue will decreases. On the other hand, if the price drops, the sales increase so much that the total revenue rises.

If the elasticity of demand is equal to unity, there is no change in total revenue earned from sales even with the change in price. For example, with the fall in price by 5%, the sales will increase by 5% whereby the total revenue will remain unchanged.

If the demand price is inelastic, the sales will fall with the increase in price but the total revenue will rise. On the other hand, with the fall in price, the sales will increase but the total revenue will fall.

→ Sales forecasting

A firm can forecast the impact of a change in inc[...] on sales volume (Q), and sales revenue (P x Q). For exam[...] a hypothetical car manufacturer has calculated that YED [...] respect to its luxury car is (+) 3.8, and it has also underta[...] research to discover that consumer incomes will rise by [...] next year. It can now predict the impact of this change.

→ Pricing policy

السعر زاد والدخل

Knowing YED helps the firm decide whether to r[...] or lower price following a change in consumer income[...] incomes are falling and YED is positive, a reduction in p[...] might help compensate for the reduction in demand.

→ Diversification

Firms can diversify and offer a range of goods [...] different YEDs to spread the risks associated with change[...] the level of national income. For example, a car manufact[...] may produce cars with a range of YED values, so that s[...] are stabilized as the economy grows and declines.

YED and the business cycle

Changes in real national income tend to be cycl[...] The demand for normal goods increases when the econ[...] is expanding, but decreases when the economy is contract[...] Conversely, the demand for inferior goods is coun[...] cyclical.